

THE FINANCIAL SITUATION.

Contrary to almost general expectations, last week did not witness the termination of the strike of the employees of the American Hoop, the American Sheet Steel and the American Tin Plate companies, who were called from their work three weeks ago by the Amalgamated Association of Iron, Steel and Tin Workers. A week ago that Association was so palpably beaten in its efforts to dictate the policy of the United States Steel Corporation, which owns and controls the three companies named above, that the President of the Association was induced to come to this city with the view of making the best terms possible for his organization with the managers of the United States Steel Corporation. He was undoubtedly so impressed with the hopelessness of continuing the fight which he had started, and also with the fairness of the proposition made to him to settle the controversy, that he returned to Pittsburg hopeful of making his associates see the situation in the same light that he did.

All of last week was spent by the authorities of the Amalgamated Association in discussing what is now popularly termed as the ultimatum of the United States Steel Corporation. This indicated that wide differences of opinion existed, but upon one point there must have been unanimity, namely, that the organization was beaten in its efforts to compel the constituent companies of the United States Steel Corporation to convert all of their plants into union mills. One faction has evidently been in favor of extending the strike, notwithstanding the losses which it would entail upon members of the association, while another element was presumably in favor of making the best of an inevitable defeat while certain concessions made by employers could be represented to the rank and file as advantages that had been gained.

The market for securities last week hinged almost entirely upon the situation which has been described, and in consequence speculation was checked, except in the United States Steel stocks, which fluctuated from day to day in response to constantly changing reports from Pittsburg as to the outcome of the deliberations of President Shaffer and his associates. Fears that the labor troubles in the Pittsburg iron district might become more widespread have not only restricted speculation, but have deterred investment buying of securities. The prevailing belief of the public undoubtedly is that the Amalgamated Association will be beaten in its present fight, but there is, of course, the possibility that the contest may be protracted and may result in financial losses and breaches of the peace which might unsettle the market for securities.

It is a question, however, whether the worst that might happen has not been discounted in the stock market. Reports of an extension of the strike have been current from time to time during the last six or seven days, and have caused considerable selling, not only of the Steel stocks, but of other issues. Nevertheless, at the end of the week, the market showed a good deal of firmness, and indications were not wanting that a short interest out of proportion to the narrowness of the market had been created. Consideration of the Steel strike has assumed a degree of importance that has virtually overshadowed crop conditions and prospects. In both there has been a decided improvement. At the same time, more trustworthy information has come to hand regarding the crops than was obtainable when the Western drought was at its worst, and speculators in grain were bent upon terrorizing the country with their alarming reports for the purpose of promoting their ventures in the markets for cereals.

While it is still too early to determine what the final effect of recent rains and cooler weather will be upon the production of corn, it can be stated with confidence that changed conditions have been of enormous benefit to the spring wheat crop. The most trustworthy information obtainable is that, unless some unusually severe adverse conditions develop within the next ten days, the principal spring-wheat-producing States of the Northwest will secure an unusually large harvest. This insures a heavy volume of traffic to the northern transcontinental lines, viz: The Northern Pacific and the Great Northern, and also to the Union Pacific in the Pacific Northwest. Not only does the yield of wheat promise to be unprecedentedly large in the northern portion of the country west of the Mississippi, but other crops are developing satisfactorily. Viewing the United States as a whole, it appears that the section which has suffered severely from the drought is confined to a comparatively small number of States or portions of States, centring around Kansas. But even this territory has secured a large wheat crop, and the meteorological changes in the last ten days have improved the condition of pasture and fodder to such an extent that the rushing of live stock to market has virtually ceased.

The wild notions that prevailed up to a week ago that the damage to the corn crop was in the nature of a national calamity are unquestionably being abandoned. The outlook for a prosperous crop year is not confined to the northerly tier of Western States, but includes the entire Pacific Coast, the Southern States from ocean to ocean, and also the territory east of the Mississippi with its constantly increasing manufacturing industries. Moreover, the entire country is richer than ever before in its history with the tillers of the soil enjoying their full proportion of recent prosperity. The farmers of the West, even if they should sustain a loss of \$500,000 bushel of corn worth half that amount in dollars, will still have higher prices than heretofore for this year's products, which, together with the savings of the last few years, will make them as much of a factor in the consumption of manufactured articles and of supplies generally as they were last year or the year before. One of the best proofs that the recent crop scare is subsiding throughout the country is furnished by the cessation of the cancellation of orders for goods at St. Louis and at Chicago and the appearance of new orders.

Wall Street's view of the situation will be based entirely, as time progresses, on railway traffic returns, and, as a matter of fact, these are not likely to reflect the smaller yield of corn as compared with previous years, until the beginning of winter. In the meantime, the movement of wheat to market will be earlier and heavier than usual, and it may be accompanied by the marketing of several hundred millions of bushels of old corn, which, if current prices for that cereal be maintained, will be released by the farmers as soon as they can determine that they have sufficient supplies of other animal

food to take its place. An important development that should not be overlooked in forecasting the future of the trunk lines west of Chicago and St. Louis, is the system that has just been established by the Great Northern-Northern Pacific and the Union-Southern Pacific systems in placing the rate-maintaining power and the routing of traffic over the combined systems in the hands of two commissioners stationed at Chicago.

The establishment of this system for supervising traffic will do away with wasteful competition, secure to the shipper the most direct route and prevent the manipulation of rates. There is reason for believing that similar commissioners will be appointed to supervise the traffic of the trunk lines east of Chicago. This plan is simply a part of the programme of the railway managers and bankers who have been engaged for some years past in endeavoring to improve the status of the transportation industry by the establishment of a comprehensive community of interests. Present indications are that those who are selling railway stocks with the view of repurchasing them at materially lower prices, because of the partial failure of the corn crop, may have to wait a long time for their profits, for traffic returns to date show large gains over those of last year and are likely to do so for some months to come. G. T. C.

FINANCIAL AND COMMERCIAL.

UNITED STATES AND STATE BONDS.

Sales. Name	Open	High	Low	Clos.	Chg.
date.	int.	int.	int.	int.	int.
1000 U.S. Ass'ts... 1080 1080 1080 1080 1080					
1000 Louis. Ass'ts... 1050 1050 1050 1050 1050					
1000 Tenn. Ass'ts... 96 96 96 96 96					
2000 Va. Bd. & Co... 75 75 75 75 75					
9000 Va. F & I... 950 940 930 940 940					

RAILROAD AND OTHER SHARES.

UNITED STATES AND STATE BONDS.

UNITED STATES